

## AP 513 – Purchasing

### 1. Purpose

The purpose of this administrative procedure is to ensure that School District 68 (“SD68”) procurement of materials, goods, equipment and services is at an optimum value for the life cycle costs of purchases.

### 2. Background

The Finance Department is authorized to commit SD68 to the purchase of goods and services in addition to binding agreements such as purchase orders, equipment leases and contracts.

### 3. Objectives

- Processes established for efficient and appropriate utilization of SD68 funds
- Transparency and accountability in the use of SD68 funds for the acquisition of goods, services and capital assets
- Procurement that meets SD68’s quality and safety requirements, at competitive prices and in a consistent manner
- Compliance with required legislation, regulations, policies and procedures
- Risks identified, assessed and managed throughout the procurement process
- Encourage the assessment of environmental factors associated with the procurement of goods and seek sustainable options when possible

### 4. Scope

This administrative procedure document applies to all employees of SD68, as well as contractors and consultants while engaged by SD68, who are involved in the acquisition of goods, services and capital assets.

It is applicable to all procurement regardless of the ultimate source of funding, unless specifically indicated otherwise by the funding source.

### 5. Definitions

“Contract” is a legally binding agreement for one party to provide goods or services to the other party, in exchange for payment or other form of consideration, subject to terms and conditions.

“Electronic Bidding System” is a provincial or national electronic tendering service (e.g. BC Bid) designed to facilitate the procurement process within the public and private sector business communities.

“Procurement” is the process of acquiring goods, works and services, covering both acquisitions (by any means, including by purchase, rental, lease, trade or conditional sale, of goods, services or construction) from external third parties. Procurement is to include sourcing, contracting and purchasing activities, including approval segregation and limits, competitive and non-competitive procurement, purchasing, contract awarding, and conflict of interest.

|                                |   |
|--------------------------------|---|
| “Purchase Order” (“PO”)        | is a legally binding agreement sent to vendors to place an official order of goods and/or services. A purchase order with an authorized signature is authority to purchase on behalf of SD68.   |
| “Request for Proposal (“RFP”)  | is a document used to solicit bids from potential vendors interested in supplying a good, service or capital asset. The RFP outlines the bidding process, mandatory vendor requirements, timelines for bid submission and contractual terms and conditions.   |
| “Request for Quotation (“RFQ”) | is a written invitation for vendors to submit a quote to supply a particular good, service or capital asset.  |
| “Quote”                        | is a written or verbal statement of price, terms of sale and description of goods and/or services offered by a vendor.  |
| “Sole Source”                  | is the procurement of goods, services or capital assets from a supplier in the absence of applying a competitive procurement process (e.g. RFP, RFQ, etc.).   |
| Invitation to Tender (“ITT”)   | is a process used to solicit Tenders from vendors for the provision of goods, services, or capital assets where the specifications, terms, conditions and other details are set out in the invitation and the bids are evaluated primarily on price, without further negotiations. If the purchase proceeds, SD68 is obligated to place the order with the supplier who has offered the best value or the best price. The supplier is obligated to honor the price and quality of the product if the goods, services or capital assets are placed on order within the limitations of the quotation offer. |
| “Tenders”                      | are offers made by vendors in response to an ITT received before a closing date and time specified in the ITT document.   |
| “Vendor”                       | includes supplier or potential supplier of goods and/or services and may be a contractor or consultant.   |

## 6. Guiding Principals

### 6.1 Spending Authority

Students and staff members are not to commit SD68 for payment of goods and services and may not sign rental agreements (except car rentals), leases, licenses or agreements with any vendor except when specifically approved to do so as outlined in the following table:

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| Threshold<br>(up to \$) | Delegated Purchasing<br>Authority   | Method of<br>Payment   | Procurement Method   |
|-------------------------|---|--|--|
| <b>\$50 or less</b>     | All staff   | P-card, petty cash   | Sole source  |
| <b>\$2,000 or less</b>  | Principals, Vice-principals, Buyers, Capital Project Coordinators, DAC Exec Assistants, or Department Managers  | P-card, expense reimbursement, cheque requisition, cheque, EFT | Sole source  |
| <b>\$5,000 or less</b>  | Principals, Vice-principals, Buyers, Capital Project Coordinators, DAC Exec. Assistants, or Department Managers   | Expense reimbursement, cheque requisition, cheque, EFT         | From pre-approved vendors, Minimum of two verbal/online quotations (purchase order required) |
| <b>\$10,000 or less</b> | Principals, Buyers, Department Managers, Department Directors, or Assistant Superintendents   | Expense reimbursement, cheque requisition, cheque, EFT         | From pre-approved vendors, Minimum of two verbal/online quotations (purchase order required) |
| <b>\$25,000 or less</b> | Facilities Dept. Managers, Finance Manager, Department Directors, or Assistant Superintendents  | Cheque, EFT  | Minimum three written quotations (purchase order required)                                   |
| <b>\$50,000 or less</b> | Executive Director, Planning & Operations, Director of Finance, Accounting & Financial Reporting  | Cheque, EFT  | Minimum three written quotations (purchase order required)                                   |
| <b>\$75,000 or less</b> | Assistant Secretary Treasurer, Secretary Treasurer, Deputy Superintendent, or Superintendent  | Cheque, EFT  | Minimum three written quotations (purchase order required)                                   |
| <b>\$75,000+</b>        | Assistant Secretary Treasurer, Secretary Treasurer, Deputy Superintendent, or Superintendent  | Cheque, EFT  | Public Request for Tender or Request for Proposals (depending on known specs)                |
| <b>\$100,000+</b>       | Assistant Secretary Treasurer, Secretary Treasurer, Deputy Superintendent, or Superintendent, <u>and</u> the Board of Education (only for unforeseen expenditures or major construction projects) | Cheque, EFT  | Public Request for Tender or Request for Proposals (depending on known specs)                |



**6.2 Banking Agreements**

The District will enter into a banking services arrangement by way of an RFP. The selection criteria for banking services will include, but not be limited to, the following:

- a) the level of integrative technology available for the SD68’s business activities;
- b) the ancillary financial services offered, such as purchasing cards, lease financing, EFTs, etc.;
- c) the service fees charged;
- d) the interest rate offered on deposits;
- e) the financial instruments and products available;
- f) the ability of the bank to handle the transactional volume of the SD68

The banking services agreement will be reviewed by the Secretary-Treasurer on behalf of The Board of School Trustees every five years. A second extension may be approved by the Secretary-Treasurer on behalf of the Board. A new RFP process will be entered after fifteen years, regardless.

**6.3 Methods of Procurement**

Except where otherwise noted in the attached procedure or where governed by other policies, all purchases and financial commitments for materials, goods, equipment and services are to be made through the Finance Department, staff reimbursement and/or Purchasing Cards (“P-Cards”).

**6.4 Process for Reimbursements**

To be reimbursed for authorized expenses, employees must fill out a Cheque Requisition Form, attach original copies of receipts showing proof of payment (and confirmation of shipment for online orders), and submit it to the Finance Department.

**6.5 Procurement Thresholds**

The following table summarizes procurement method thresholds:

| Threshold                                       | Guidance  |
|---|---|
| <b>\$2,000 or less</b>                          | Goods and services not exceeding \$2,000 may be purchased at the discretion of the Finance Department through sole sourcing (section 6.6) or through an appropriate method of procurement (section 6.3).  |
| <b>\$10,000 or less</b>                         | Sources of supply for requirements expected to exceed \$2,000 but not \$10,000 shall be determined by verbal/online quotation, from two or more sources (section 6.7).  |
| <b>Over \$10,000 but not exceeding \$75,000</b> | Sources of supply for requirements expected to exceed \$10,000 but not \$75,000 shall be determined by written quotation, from three or more sources who are known to be able to provide the quality of goods or services required (section 6.7). |
| <b>Over \$75,000</b>                            | Sources of supply for requirements expected to exceed \$75,000 shall be determined by tender. A public invitation to tender shall be advertised at the discretion of the Director of Finance, Accounting and Financial Reporting.                 |

### 6.6 Sole Sourcing

Goods or services that are only available from a sole source may be exempt from the tendering process and/or the quotation process. The finance department will work with the end user to assess if a sole source situation may exist. This assessment will then be put forward for approval by the Associate Secretary-Treasurer, Secretary-Treasurer, and/or Superintendent.

The Secretary-Treasurer, Associate Secretary-Treasurer, Director of Finance - Accounting and Financial Reporting, Director of Facilities and Planning, Deputy Superintendent, or Superintendent may authorize the immediate purchase of any item or service without recourse to the provisions of this procedure where:

- a) staff, student or public safety is in question;
- b) purchase will prevent damage to SD68 facilities;
- c) essential services will be restored; or
- d) essential physical plant services will be restored
- e) funding may be lost or not obtained as a result of the delays realized when going out for tender

It is not necessary to tender or go through the quotation process for the purchase of used items and legal services.

Where a sole source purchase is made, the purchase order (“PO”) will indicate that the purchase is sole source and supporting documentation, if available, will be attached.

### 6.7 Request for Quotes

Request for quotes can take the following forms:

- a) Verbal quotations:  
Received from two or more supplier representatives, usually by telephone. Online price checking can count as an alternative for a verbal quotation. Such quotations are to be recorded by the Finance Department and retained with the PO.
- b) Written quotations:  
Received from three or more sources in response to a written request. Responses may be submitted by fax, BC Bid, email or mail;

### 6.8 Tenders

Once it has been decided that a formal tender will be issued to purchase the goods or services, the Finance Department will meet with the School or Department representatives to establish the products specification and tender evaluation criteria.

If necessary, an Evaluation Committee will be established to evaluate the responses to the tender. The Committee will be made up of representatives from the School or Department along with Finance Department staff.

The Finance Department will build the tender document for review and approval by the School Principal or Department Head (i.e. another Finance Department staff, supervisor or manager). The tender document should include mandatory and desirable requirements of proponents and criteria against which responses will be evaluated.

Once approved, the Buyer will post the tender on BC Bid.

### 6.9 Receipt of Tenders

Immediately on receipt of submission, the date and time of receipt shall be recorded on the tender envelope. The initials of the employee receiving the tender shall be affixed beside the date/time stamp.

Tenders shall be placed in a lockable compartment and retained therein until the official opening.

Under no circumstances shall tender envelopes be opened prior to the specified closing time. Where envelopes are opened inadvertently (i.e. the envelope did not indicate that it was a tender), the envelope will be immediately resealed, without looking at pricing information, and the person opening the envelope will indicate the error on the envelope.

### 6.10 Tender Opening

Tender openings shall be witnessed by two or more SD68 employees, one of which must be a Finance Department employee. All persons present at the opening, (including non-SD68 employees) shall be recorded on the tender opening form.

Tenders shall be:

- a) opened at the same time, after the time indicated as the closing time in the "Invitation to Tender". Where the public has come to witness the opening, it shall occur not later than 15 minutes after the official closing indicated in the "Invitation to Tender";
- b) initialed and dated by two or more SD68 employees who witnessed the opening, one of which must be a Finance Department employee; and
- c) recorded on the "Tender Opening Form" which shall be signed as indicated in b above

### 6.11 Late Tenders

Tenders received after the closing date and time specified in the "Invitation to Tender" are called "late tenders".

Envelopes containing late tenders are to be date stamped, entered in the "Tenders Received Record" as "unopened late tenders" and returned to the senders unopened.

### 6.12 Tender Withdrawals

A bidder may withdraw a tender by written notice only, provided such notice is received by the receptionist at the main switchboard at the School District Office prior to the closing time and date set in the tender documents.

### 6.13 Tender Amendments

A firm may amend its tendered price provided the amendment is received in writing or by email prior to the time and date tenders are due. Such amendments are to consist only of an amending figure either upward or downward from the total price included in the sealed tender and are not to disclose the new total revised bid price.

### 6.14 Tender Award

The award of a contract to other than the lowest bidder must be based on facts that are defensible in the event of enquiry from any source at any level.

Selection of the successful offer is based on, in no order, but not limited to, the following criteria:

- a) compliance with tender documents;
- b) overall cost impact to SD68;
- c) firm prices vs. approximate prices or escalation;
- d) cancellation provisions, where applicable;
- e) SD68's assessment of the ability of the bidder (and their staff) to supply the goods or services within the timeframe required by the SD68;
- f) warranty and service facilities best value based on quality, service and price;
- g) compliance with regulatory requirements;
- h) experience and reputation of the bidder/supplier;
- i) positive environmental and/or social attributes; and
- j) other criteria as deemed applicable, by the Finance Department, to the purchase being made

When tenders are received which appear to be identical in price, compliance with specifications, discounts, location of supplier etc., and further careful review will be made to identify some reasonable criteria on which to base final selection. The importance of selecting a tender for reasons that can be defended is reiterated. The Secretary-Treasurer shall determine the successful bidder in the event of identical offers in respect to a tender.

As it relates to public tender, if only one submission is received, the decision to accept the offer shall be made, in conjunction with the end user, by:

- a) the Director of Finance, Accounting and Financial Reporting for quotes and non-advertised tenders; or
- b) the Secretary-Treasurer for advertised tenders

### 6.15 Access to Bids and Prices

Tenders invited by public advertisement shall be opened in public and this shall constitute notice to all interested parties. A summary of tenders shall be prepared and kept on file for public information, if required.

Release of information other than tender price shall be subject to the provisions of the Province of British Columbia's Freedom of information and Protection of Privacy Act.

Current prices in all other cases will be made available to interested parties by the Manager of Accounting through whatever method is considered most suitable.

### 6.16 Bid and/or Performance Bonds (or Deposits)

Bid/performance bonds are not normally required with tenders for:

- a) vehicles;
- b) equipment (National Product);
- c) materials and supplies; or
- d) services less than \$75,000

Bid/performance bonds may be required for:

- a) equipment specially manufactured;
- b) services more than \$75,000;
- c) specialized installations, including supply of equipment;
- d) sale of SD68 items; or
- e) structures, pavements and other civil engineering works

The decision to require bonding will be made by the Finance Department in conjunction with the end user.

### 7. Receiving Goods

Once the supplier has been determined, a purchase order (PO) will be initiated and signed by the Department Head. The PO will then be matched to the receiving slip when the goods arrive (by an individual other than purchaser). The PO, Invoice and Receipt of Goods/Services will be matched at month end to reconcile accounts.

### 8. Real Property and Construction Contracts

**8.1** The Director of Facilities/Planning & Operations shall be responsible for the administration of real property, construction contracts, and the services of engineers, architects and other professional and consulting services related to construction contracts.

**8.2** The Secretary-Treasurer and/or Associate Secretary-Treasurer shall be responsible for the purchase and disposal of land and real property.

**8.3** The Secretary-Treasurer or Director of Finance, Accounting and Financial Reporting shall administer the tendering procedures for real property, construction of works and buildings. The Director of Planning and Operations shall maintain the original legal copies of such contracts on behalf of the School District.

**8.4** It is recognized that tenders for select construction projects may be authorized to be conducted by outside consultants. In these cases the consultant will provide a recommendation for award. The use of such consultants will be reviewed and approved by the Secretary-Treasurer.

**8.5** The Secretary-Treasurer shall administer the leasing of land, real property and public facilities and shall maintain the original legal copies of all such agreements on behalf of the SD68. The Director of Planning and Operations shall manage and administer the use of all leased land, real property and public facilities.

### 9. Environmental and Social Focus

**9.1** SD68 wishes to purchase products and services that have positive environmental and social attributes. As such, where supplies and equipment are available for purchase in a sustainable manner, without significant additional costs to SD68, it is encouraged that the sustainable option be successful in the procurement process. Examples of such options include:

- a) Choosing office products with recognized green certifications,
- b) Choose options with less packaging and/or request packaging be minimal and recyclable,
- c) Buying from local suppliers,
- d) Leasing equipment for temporary needs instead of buying, or
- e) Collaborations among purchasers and suppliers to address key sustainability issues such as the carbon footprint of products or local employment for disadvantaged groups

### 10. Surplus Material

**10.1** Where equipment, vehicles or materials are considered surplus to the needs to SD68 and are expected to have resale value, the Director of Finance, Accounting and Financial Reporting may direct these items be disposed of in accordance with the Government of BC's Core Policy & Procedures Manual (CPPM), Chapter 6.3.4.d.



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If the resale value of the asset is insignificant, or the cost of disposing of the item would either exceed the expected resale value or result in SD68 receiving an insignificant profit, the item(s) will be disposed of as indicated in 10.2.

**10.2** Where equipment or materials are considered surplus to the SD68's needs and do not have a resale value, the Secretary-Treasurer or designate may authorize items to be:

- a) salvaged for parts;
- b) scrapped;
- c) traded in for credit against purchases;
- d) sold for a nominal amount; or
- e) donated

In such situations, the Purchasing department should maintain the details of the asset being disposed and the rationale to support the decision to not follow the CPPM policy noted above.

**10.3** Equipment, vehicles or materials will not be sold to SD68 employees unless they are the successful bidder in a public process.

### 11. Compliance Monitoring

**11.1** Purchases in the name of the SD68 and the use of District P-Cards, documents and resources is restricted to the acquisition of goods and services required for SD68 business purposes, and must follow the procedures laid out in this document.

**11.2** The Finance Department is responsible for monitoring compliance with these purchasing procedures, and for following-up on potential exceptions and abnormalities.

**11.3** The use of SD68 resources for the procurement of items or services for personal use is expressly prohibited. Where it is determined that SD68 resources were used for the procurement of items or services for personal use, the employee in question will be required to reimburse the employer for the full amount of the purchase, and the matter will be referred to Human Resources for further review.

**11.4** Other deviations from these procedures will be reviewed with the employee in question and their supervisor, and may be referred to Human Resources where there is repeated non-compliance, or where a pattern of non-compliance has been identified.

### 12. Amendments (Revision History)

Amendments to this procedural document will be published from time to time and circulated to SD68.

| Version | Approval Date     | Approved by     | Amendment                                     |
|---------|-------------------|-----------------|---|
| 1       | 1957              | SD68 Management | Creation of AP 513                            |
| 2       | November 26, 1986 | SD68 Management | Unknown                                       |
| 3       | June 10, 2020     | SD68 Management | Spending authority and procurement thresholds |